

# 2011 Property Tax Report

## Brown County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Brown County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Brown County

The average homeowner saw a 67.7% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 38.9% lower than they were in 2007, before the property tax reforms.
97.0% of homeowners saw lower tax bills in 2011 than in 2007.
96.1% of homeowners saw tax increases of 20% or more from 2010 to 2011.
The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	3,567	98.1%	109	3.0%
No Change	22	0.6%	0	0.0%
Lower Tax Bill	46	1.3%	3,526	97.0%
<b>Average Change in Tax Bill</b>	<b>67.7%</b>		<b>-38.9%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	3,495	96.1%	68	1.9%
10% to 19%	31	0.9%	14	0.4%
1% to 9%	41	1.1%	27	0.7%
0%	22	0.6%	0	0.0%
-1% to -9%	11	0.3%	66	1.8%
-10% to -19%	4	0.1%	206	5.7%
-20% to -29%	1	0.0%	418	11.5%
-30% to -39%	2	0.1%	728	20.0%
-40% to -49%	6	0.2%	1,090	30.0%
-50% to -59%	5	0.1%	632	17.4%
-60% to -69%	3	0.1%	214	5.9%
-70% to -79%	5	0.1%	90	2.5%
-80% to -89%	5	0.1%	40	1.1%
-90% to -99%	0	0.0%	17	0.5%
-100%	4	0.1%	25	0.7%
<b>Total</b>	<b>3,635</b>	<b>100.0%</b>	<b>3,635</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★  
 LOWER LOCAL HOMESTEAD  
 CREDITS AND HIGHER TAX  
 RATES INCREASED  
 HOMEOWNER TAX BILLS  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes increased 67.7% on average in Brown County in 2011. This of course was much more than the state average of 4.4%. Brown County homestead taxes were still 38.9% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was due to a substantial decrease in the local homestead credit. The local income tax distribution that funds this credit decreased in 2011, which caused the credit drop. The local credit is still large, however. Tax rates increased substantially in 2011, though Brown's tax rates remain among the lowest in the state. The phaseout of the state homestead credit in 2011 also contributed to the tax bill increase. The state homestead credit was 4.8% in Brown County in 2010.

#### Tax Rates

Property tax rates increased in all of Brown County tax districts. The average tax rate increased by about 21 cents per \$100 assessed value, or 22.4%. This increase occurred because of a large levy increase and a small new assessed value increase. Levies in Brown County increased by 27.2%. Almost all of this increase was due to an increase in the Brown County School Corporation's debt service levy; most of the rest was the result of an increase of the school corporation's bus replacement levy. Brown County's total net assessed value increased 1.4% in 2011. (The certified net AV used to compute tax rates rose by 3.9%.) Homestead and other residential assessments increased by 2.2% and 1.6%, respectively. Apartment assessments fell 4.8%, agricultural assessments fell 5.9%, and business assessments were nearly unchanged.

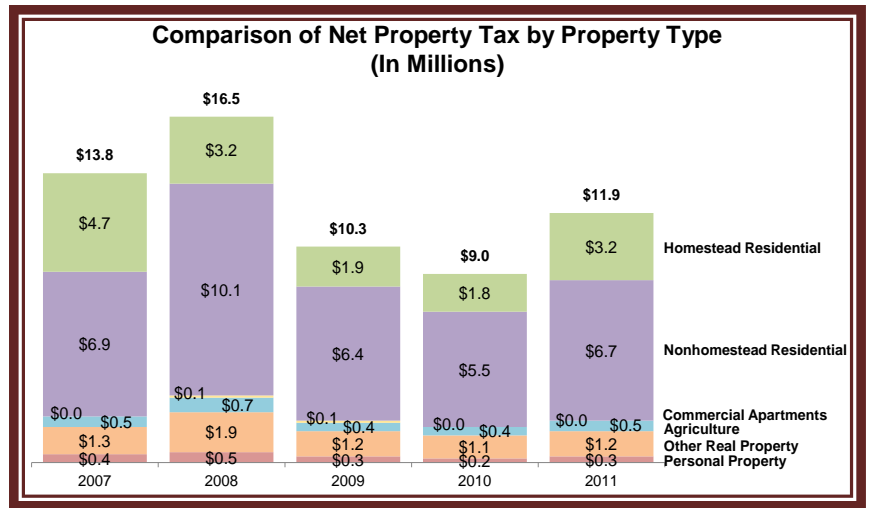
★★★★★★

*AN ADDED SCHOOL DEBT SERVICE LEVY  
CAUSED INCREASES IN TAX BILLS FOR ALL  
PROPERTY CATEGORIES*

★★★★★★

### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 32.5% in Brown County in 2011, well above the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 21.9%. Tax bills for commercial apartments rose 12.5%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 19.2%, and agricultural tax bills rose 34.4%. All of these large increases are the result of tax rate increases due to the added school debt service levy.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

★★★★★★

*TAX CAP CREDITS ARE NEAR ZERO IN  
BROWN COUNTY BECAUSE TAX RATES*

*REMAIN LOW*

★★★★★★

Brown County tax cap credit losses were near zero in 2011. Brown's tax rates are so low that no property owner is eligible for the regular tax cap credits. The only credits were for the 2% limit on tax bill increases for homeowners 65 and over. The large tax rate increase caused a substantial increase in this credit. Still, Brown County's total tax cap credits are only 0.1% of the total levy. The largest dollar losses were in the Brown County School Corporation and the county unit.

Brown County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$0	\$0	\$0	\$139	\$139	0.0%
2011 Tax Cap Credits	0	0	0	8,667	8,667	0.1%
Change	\$0	\$0	\$0	\$8,528	\$8,528	0.1%

### The Effect of Recession

The 2009 recession had little effect on Brown County assessments for pay-2011. Only agricultural business and land assessments fell, despite the increase in the farmland base rate from \$1,250 to \$1,290 per acre. It is unlikely that this is the result of the 2009 recession. Other categories of property saw assessment increases.

★★★★★★

*THE 2009 RECESSION HAD LITTLE  
EFFECT ON BROWN COUNTY  
ASSESSMENTS*

★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$879,272,230	\$907,221,700	3.2%	\$494,366,734	\$505,175,427	2.2%
Other Residential	567,506,300	576,671,900	1.6%	562,610,510	571,374,290	1.6%
Ag Business/Land	51,460,100	48,476,800	-5.8%	51,138,710	48,136,060	-5.9%
Business Real/Personal	163,409,675	167,139,212	2.3%	130,424,343	130,821,417	0.3%
<b>Total</b>	<b>\$1,661,648,305</b>	<b>\$1,699,509,612</b>	<b>2.3%</b>	<b>\$1,238,540,297</b>	<b>\$1,255,507,194</b>	<b>1.4%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Brown County Levy Comparison by Taxing Unit

Taxing Unit						%Change			
	2007	2008	2009	2010	2011	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	18,863,071	21,155,418	11,955,145	10,406,768	13,232,766	12.2%	-43.5%	-13.0%	27.2%
State Unit	32,020	32,881	0	0	0	2.7%	-100.0%		
Brown County	5,459,429	6,111,733	3,619,191	3,756,529	3,581,976	11.9%	-40.8%	3.8%	-4.6%
Hamblen Township	42,352	41,949	41,042	39,632	39,178	-1.0%	-2.2%	-3.4%	-1.1%
Jackson Township	47,737	47,009	46,236	44,740	44,128	-1.5%	-1.6%	-3.2%	-1.4%
Van Buren Township	27,569	79,078	69,573	66,999	65,763	186.8%	-12.0%	-3.7%	-1.8%
Washington Township	81,309	81,967	75,771	72,912	72,418	0.8%	-7.6%	-3.8%	-0.7%
Nashville Civil Town	365,358	365,058	362,659	346,257	331,821	-0.1%	-0.7%	-4.5%	-4.2%
Brown County School Corp	12,182,319	13,716,805	7,104,159	5,443,504	8,401,682	12.6%	-48.2%	-23.4%	54.3%
Brown County Public Library	450,950	460,333	423,226	425,084	527,392	2.1%	-8.1%	0.4%	24.1%
Hamblen Township Fire Protection Dist	39,277	84,341	79,065	77,513	34,667	114.7%	-6.3%	-2.0%	-55.3%
Brown County Solid Waste Mgt Dist	134,751	134,264	134,223	133,598	133,741	-0.4%	0.0%	-0.5%	0.1%

### Brown County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
07001	Hamblen Township	1.0123	--	--	--	--	37.7888%	--	0.6298
07002	Jackson Township	1.0181	--	--	--	--	37.7888%	--	0.6334
07003	Van Buren Township	1.0520	--	--	--	--	37.7888%	--	0.6545
07004	Washington Township	1.0257	--	--	--	--	37.7888%	--	0.6381
07005	Nashville Town	1.2937	--	--	--	--	37.7888%	--	0.8048
07006	Hamblen Fire District	1.0279	--	--	--	--	37.7888%	--	0.6395

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Brown County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	0	0	0	8,667		8,667	13,232,766	0.1%
<i>TIF Total</i>	0	0	0	0		0	0	
<i>County Total</i>	0	0	0	8,667		8,667	13,232,766	0.1%
Brown County	0	0	0	2,364		2,364	3,581,976	0.1%
Hamblen Township	0	0	0	8		8	39,178	0.0%
Jackson Township	0	0	0	35		35	44,128	0.1%
Van Buren Township	0	0	0	36		36	65,763	0.1%
Washington Township	0	0	0	87		87	72,418	0.1%
Nashville Civil Town	0	0	0	130		130	331,821	0.0%
Brown County School Corp	0	0	0	5,545		5,545	8,401,682	0.1%
Brown County Public Library	0	0	0	348		348	527,392	0.1%
Hamblen Township Fire Protection Dist	0	0	0	25		25	34,667	0.1%
Brown County Solid Waste Mgt Dist	0	0	0	88		88	133,741	0.1%
Brown County Solid Waste Mgt Dist	0	0	0	0		0	0	
Brown County Fire Protection Dist	0	0	0	0		0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.